

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 18, 2003 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Jim Keane, Vice Chairman (D)
Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Alberta Strachan, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 597 (2/13/03); HB 606 (2/13/03);
HB 619 (2/13/03); HB 622 2/13/03)
Executive Action: None

HEARING ON HB 622

Sponsor: REP. MICHAEL LANGE, HD 19, Billings

Opening Statement by Sponsor:

REP. LANGE read the title of the bill: An act to revise the electrical wiring requirements for commercial buildings.

{Tape: 1; Side: A; Approx. Time Counter: 45 - 48}

Proponents' Testimony:

Keith Allen, International Brotherhood of Electrical Workers, said he was a licensed master electrician. Building owners are being sold a bad bill of goods when Romax is utilized in their buildings. Tenants constantly move in and out of commercial buildings. Electrical needs change requiring constant remodeling. One problem with Romax is there is no capability of future expansion. This bill prohibits Romax in commercial buildings to be placed in inaccessible areas.

{Tape: 1; Side: A; Approx. Time Counter: 48 - 88}

Bob Pavlovich, International Brotherhood of Electrical Workers 233, Butte, said they support this bill.

Opponents' Testimony:

Robert Throssell, Montana Technical Counsel, said this bill is not needed. If there truly was the safety problem the proponents indicated, the Department, either through the adoption of the National Code or through its rule-making authority, could adopt more stringent wiring rules.

{Tape: 1; Side: A; Approx. Time Counter: 88 - 121}

Mark Kredit, Manhattan resident, is a commercial and residential electrician. He referred to the National Electrical Code book which allows Romax to be used in commercial buildings. There are no other states in this area not allowing Romax for commercial use.

{Tape: 1; Side: A; Approx. Time Counter: 121 - 150}

Byron Roberts, Montana Building Industries Association, said they strongly support the adoption of building codes but strongly opposes this legislation. Nationwide, building codes are in a continual state of change. The Building Codes Division adopts codes in this State by administrative rule. There is a building codes statutorily-established advisory council which recommends

building code changes. Specific building codes do not belong in state law.

{Tape: 1; Side: A; Approx. Time Counter: 150 - 175}

Margaret Morgan, Independent Electrical Contractors, said Romax is considered safe in National Building Codes. This law affects the validity of the National Building Codes Document. It raises the cost of building and of doing business in Montana.

{Tape: 1; Side: A; Approx. Time Counter: 175 - 190}

Informational Testimony:

Jim Brown, Division Administrator, Business Standards Division, Department of Labor & Industry, said he was available for questions.

Questions from Committee Members and Responses:

Closing by Sponsor:

REP. WEISS asked Mr. Allen if there were any other states with similar legislation. **Mr. Allen** said there were no other states with this type of legislation.

{Tape: 1; Side: A; Approx. Time Counter: 190 - 242}

REP. GALLIK asked **REP. LANGE** about a fiscal note. **REP. LANGE** said there was no cost, consequently no fiscal note.

{Tape: 1; Side: A; Approx. Time Counter: 242 - 250}

REP. BITNEY asked **REP. LANGE** about the difference in cost between conduit and Romax. **REP. LANGE** said the conduit itself is inexpensive but the labor cost is more.

{Tape: 1; Side: A; Approx. Time Counter: 250 - 301}

REP. BERGREN asked **REP. LANGE** about the codes put into statutes.

REP. LANGE said this was all the more reason to put it into statute. The physical composition of Romax wire isn't going to change. Metal studs with the use of Romax are dangerous. If the studs are not installed correctly, and there is movement in the wall, one nick on the metal stud will start a fire.

{Tape: 1; Side: A; Approx. Time Counter: 301 - 331}

Closing By Sponsor:

The sponsor closed.

{Tape: 1; Side: A; Approx. Time Counter: 331 - 399}

HEARING ON HB 597

Sponsor: REP. PAT WAGMAN, HD 26, Livingston

Opening Statement by Sponsor:

REP. WAGMAN read the title of the bill: An act providing licensure of elevator contractors and elevator mechanics by the Department of Labor & Industry. This bill also contains rules for temporary licenses and continuing education for elevator contractors and elevator mechanics.

{Tape: 1; Side: A; Approx. Time Counter: 399 - 515}

Proponents' Testimony:

Charley Val, Business Representative, International Union of Elevator Constructors, Local 19, said there is a growing concern about the accidents, injury and death on elevators and other conveyances. He provided a copy of the Deaths and Injuries Involving Elevators or Escalators and a series of pictures of various components of elevators being used.

EXHIBIT (buh36a01)

EXHIBIT (buh36a02)

{Tape: 1; Side: B; Approx. Time Counter: 6 - 76}

Rodney Driver, Kone Elevator Company, said he performs service on passenger and freight elevators and associated equipment. This bill will provide the licensing for this equipment. Elevators are public transportation. Untrained, unqualified persons working on elevator equipment do not understand the mechanism, and this presents a serious liability concern to building owners. There is an urgent need to license elevator constructors within the State.

{Tape: 1; Side: B; Approx. Time Counter: 76 - 103}

Darrell Holzer, Montana AFL-CIO, said as early as the 1970s there was no questions about the importance of inspecting passenger elevators. At the same time, little or no thought was given to the qualifications of people who work on the equipment.

{Tape: 1; Side: B; Approx. Time Counter: 103 - 131}

Jacqueline Lenmark, American Insurance Association, said this is a common sense measure that will increase public safety, decrease owner liability and eventually result in better availability of insurance products to the people the company serves.

{Tape: 1; Side: B; Approx. Time Counter: 131 - 145}

Opponents' Testimony: None

Informational Testimony:

Jim Brown, Administrator, Business Standards Division, Department of Labor & Industry, said he was available for questions.

Questions from Committee Members and Responses: None

Closing by Sponsor:

The sponsor closed.

{Tape: 1; Side: B; Approx. Time Counter: 145 - 500}

HEARING ON HB 606

Sponsor: REP. RON STOKER, HD 59, Hamilton

Opening Statement by Sponsor:

REP. STOKER stated that HB 606 is a bill to address reciprocal agreements to sell small-winery wines, produced in Montana, across the state line. This bill will remove that obstacle to interstate shipments to wineries that produce un 25,000 gallons per year. This bill expands the sale of value-added Montana products.

{Tape: 2; Side: A; Approx. Time Counter: 1 - 60}

Proponents' Testimony:

Ken Schultz, Painted Rocks Winery, said he only uses Montana products in his wine. This bill would entitle them to begin to give patrons outside Montana a taste of their product and generate the same interest which has been generated inside the State. They need access to the outside markets. The Department of Agriculture and Department of Commerce have been very helpful in meeting with them and suggesting ways to market their product.

{Tape: 2; Side: A; Approx. Time Counter: 60 - 143}

Alan Tresemer, Marketing & Sales Division, Painted Rocks Winery, said Montana law is an impediment to them selling directly to consumers in other states. They want to develop areas of interest, acquire retailers and get a reseller to service those retailers. For them to expand beyond the Montana borders, they need this bill.

{Tape: 2; Side: A; Approx. Time Counter: 143 - 288}

Opponents' Testimony:

Neil Peterson, Administrator, Customer Service Center, Department of Revenue, provided written testimony and a copy of the Connoisseur License.

EXHIBIT (buh36a03)

EXHIBIT (buh36a04)

{Tape: 2; Side: A; Approx. Time Counter: 288 - 517}

Mark Staples, Montana Tavern Association, said they were not trying to get into the manufacturing business. The Montana Tavern Association is the sales force, the retail arm, and they want to be recognized as that. He suggested to leave the retailing to the Association and the manufacturing to the wine makers.

{Tape: 2; Side: B; Approx. Time Counter: 1 - 77}

Dale Markovich, Beer and wine wholesaler, Butte, provided a exhibit on the 3-Tier System. He then explained this system.

EXHIBIT (buh36a05)

{Tape: 2; Side: B; Approx. Time Counter: 77 - 119}

Christy Blazer, Montana Beer & Wine Wholesalers Association, provided written testimony; a brochure on the Direct Shipment Laws by State for Wineries; a copy of Washington reciprocal law for wineries and a copy of the 21st Amendment vs. Commerce Clause.

EXHIBIT (buh36a06)

EXHIBIT (buh36a07)

EXHIBIT (buh36a08)

{Tape: 2; Side: B; Approx. Time Counter: 119 - 340}

Erik Anderson, Earl's Distributing, Missoula, provided written testimony from Art Galloway, Topper's Market.

EXHIBIT (buh36a09)

{Tape: 2; Side: B; Approx. Time Counter: 340 - 383}

John Sherron, wine distributor, Missoula, also spoke on the Three Tier System.

{Tape: 2; Side: B; Approx. Time Counter: 383 - 430}

Informational Testimony: None

Questions from Committee Members and Responses:

REP. MATTHEWS asked Ms. Blazer about interested people signing up for the connoisseur's license. **Ms. Blazer** said of the sixteen

people who signed up for the license, the committee did not see one of them complaining about the amount of paperwork involved.

{Tape: 2; Side: B; Approx. Time Counter: 432 - 472}

Closing by Sponsor:

The sponsor closed.

{Tape: 2; Side: B; Approx. Time Counter: 472 - 500}

REP. McKENNEY resumed chairing the Committee.

HEARING ON HB 619

Sponsor: REP. RICK MAEDJE, HD 81, Fortine

Opening Statement by Sponsor:

REP. MAEDJE said this bill required an employer who is engaged in the logging industry and employs workers from another state to obtain Workers' Compensation coverage in Montana.

{Tape: 3; Side: A; Approx. Time Counter: 1 - 145}

Proponents' Testimony:

Jerry Driscoll, Montana AFL-CIO, said he did support the bill but suggested an amendment. Prior to having reciprocity with Idaho, they were given 30 days a year to haul logs. If reciprocity is taken away from them, Idaho will retaliate. Then, the logging trucks cannot move across the border between Montana and Idaho.

{Tape: 3; Side: A; Approx. Time Counter: 145 - 159}

Al Smith, Montana Trial Lawyers Association, said he supports this bill.

{Tape: 3; Side: A; Approx. Time Counter: 159 - 170}

Opponents' Testimony:

Keith Olson, Executive Director, Montana Logging Association, said they need the flexibility for contractors to compete.

{Tape: 3; Side: A; Approx. Time Counter: 170 - 275}

Informational Testimony:

Jerry Keck, Administrator, Employment Relations Division, Department of Labor & Industry, said he would be available for questions.

Nancy Butler, Montana State Fund, said she would be available for questions.

Questions from Committee Members and Responses:

REP. BERGREN questioned **REP. MAEDJE** about the amendment.

{Tape: 3; Side: A; Approx. Time Counter: 329 - 349}

REP. MENDENHALL asked Mr. Olson about loggers receiving double benefits or workers' compensation benefits when hauling in both states.

{Tape: 3; Side: A; Approx. Time Counter: 349 - 429}

REP. MATTHEWS asked Mr. Driscoll about the reciprocity and double benefits.

{Tape: 3; Side: A; Approx. Time Counter: 429 - 445}

Closing by Sponsor:

The sponsor closed.

{Tape: 3; Side: A; Approx. Time Counter: 445 - 519}

ADJOURNMENT

Adjournment: 11:10 A.M.

REP. JOE MCKENNEY, Chairman

ALBERTA STRACHAN, Secretary

JM/AS

EXHIBIT (buh36aad)